



MARYLAND OFFICE OF THE INSPECTOR GENERAL FOR EDUCATION



Investigative Report Summary

OIGE Case 22-0002-I

Issued: October 24, 2022



MARYLAND OFFICE OF THE
INSPECTOR GENERAL FOR EDUCATION
Richard P. Henry, Inspector General



October 24, 2022

To the Citizens of Maryland,

The General Assembly, at its First Session after the adoption of the Maryland Constitution, established throughout the State a thorough and efficient System of Free Public Schools; and shall provide by taxation, or otherwise, for their maintenance.¹ The Maryland Office of the Inspector General for Education (OIGE) plays a vital role in safeguarding the thorough and efficient system and the State funds provided to local school systems. Our primary mission is to prevent and detect fraud, waste and abuse, and educational mismanagement within School Boards, the Maryland State Department of Education (MSDE), the Interagency Commission of School Construction (IAC), the twenty-four (24) local education agencies (LEA), and non-public schools who received State funding throughout the State of Maryland. Except under limited exceptions, the Inspector General may not disclose the identity of the source of a complaint or information provided.

Background

The OIGE initiated an investigation after receiving a complaint alleging that members of the Maryland State Department of Education (MSDE) had misused their government-issued corporate purchase card (CPC) to purchase holiday party favors and other prohibited items.

Investigation

The OIGE investigation revealed that during the prior State Superintendent of School's administration, two members of the MSDE – Office of Business Services were instructed to use their government-issued CPC to pay for holiday party favors, food, balloons, a drink dispenser, holiday tree, an entertainer, and a piano tuning service. An MSDE employee informed OIGE investigators that the former Assistant State Superintendent for the Office of Business Services (Assistant) made the decisions regarding food, entertainment, decorations, etc. The cost of the holiday party exceeded \$10,000. (This event occurred in December 2019)

The OIGE investigation also determined that some MSDE staff members were instructed to meet on a Saturday to shop for party items. In addition to the weekend shopping event, MSDE staff stated they had gone shopping on several workdays during business hours. MSDE staff said, "the Assistant chose all of the items purchased," and instructed the CPC holders to pay for everything with their CPC card.

¹ Constitution of Maryland, Article VIII, Education, Section 1.

Findings

The OIGE investigation found that MSDE members who were CPC holders did not receive the appropriate training in using State-issued credit cards. The OIGE further found that several MSDE CPC holders were unfamiliar with the Comptroller of Maryland's manual and policies governing the use of a State-issued corporate credit card. MSDE members stated that although they used their CPC routinely, they never received any formal training governing its use. The OIGE found that staff routinely spent thousands of dollars monthly on various purchases. Our investigation also found that the Assistant did not have a CPC issued but was responsible for approving the monthly CPC logs for each holder. This practice allowed the Assistant to avoid further review by senior management.

The OIGE also found that the MSDE – Office of Business Services failed to suspend the accounts of staff members who were no longer using their cards or had separated from state employment.

The OIGE substantiated the allegation as a violation of the Comptroller of Maryland, General Accounting Division, Accounting Procedures Manual, Section 3.1.10, Types of Unacceptable Invoices. According to the Accounting Procedures Manual,

“Invoices for funeral flowers, special gifts, or other emoluments and non-related work expenses will not be paid to any vendors from the State Treasury. These are personal expenses and are chargeable to the individual incurring such expenses. When invoices for catering/food services are submitted, documentation must be included, which provides the name and purpose of the function and who attended it, by name or affiliation. Invoices will not be paid for food served during normal type meetings. Invoices will not be paid for expenses incurred at State employees' social functions such as Christmas parties.” (pg. 38-39).

Recommendations

- 1) The MSDE should review and provide a copy of the Comptroller of Maryland, (2020) General Accounting Division, Accounting Procedures Manual to all MSDE – Office of Business Services staff during their new employee orientations and annual training sessions.
- 2) The MSDE should review and update the 2008 MSDE – Purchasing Manual to ensure this publication is in compliance with the Comptroller of Maryland policy governing the use of a State issued corporate purchasing card.²

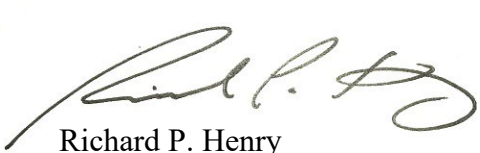
² Comptroller of Maryland, General Accounting Division, Corporate Purchasing Card Policy and Procedures Manual, Corporate Purchasing Card Program, Section 1.03, page 2.

- 3) The MSDE should review its current practices and internal controls governing the submission and level(s) of approving authority associated with its monthly corporate purchase card reconciliation process.³
- 4) The MSDE should review its current policy to ensure they are in accordance with the Comptroller of Maryland, Corporate Purchase Card Policy and Procedures Manual to ensure corporate purchase cards are canceled when no longer in use or have provided the designated Purchasing Card Program Administrator (PCPA) with justification as to why an inactive card needs to remain active.⁴

The OIGE understands information may be changed or updated after an investigation has been completed. The OIGE appreciates the cooperation provided by the members of the MSDE.

Consistent with Education Article §9.10-104, because the Inspector General has identified issues of concern that would not constitute a criminal violation of State law, the Inspector General will report the issues of concern to the Governor, the General Assembly, the State Board of Education, and the State Superintendent of Schools.

Respectfully,



Richard P. Henry
Inspector General

cc: Hon. Lawrence J. Hogan, Jr, Governor – State of Maryland
Hon. William C. Ferguson IV, President – Maryland State Senate
Hon. Adrienne A. Jones, Speaker – Maryland House of Delegates
Hon. Clarence C. Crawford, President – Maryland State Board of Education
Hon. Mohammed Choudhury, MS, State Superintendent of Schools
Mr. Elliott L. Schoen, Esq., Assistant Attorney General / Principal Counsel to MSDE

³ Comptroller of Maryland, General Accounting Division, Corporate Purchasing Card Policy and Procedures Manual, Corporate Purchasing Card Program, Section 2.04, page 2

⁴ Ibid, Section 5.01(h), page 5